GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4160
ANSWERED ON:15.12.2000
IMF LOAN
NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided not to seek further loan from International Monetary Fund;

(b) if so, the reasons therefor;

(c) the measures taken by the Government to improve the position of Balance of Payment in view of increasing oil import bill; and

(d) the extent to which these measures have been successful?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) : No, Sir.

(b) : Does not arise.

(c)&(d): The Government`s overall policy of economic reform and liberalization has helped to increase exports and promote foreign capital inflows. Some of the measures taken to improve and the effect thereof on the Balance of Payment position include:

(i) Various initiatives taken by the Government to encourage the flow of Foreign Direct Investment as a result of which the FDI inflow has increased from US $ 1217 million during April-October 1999 to US$ 1662 million during April-October 2000;

(ii) India`s export has grown by 20.5 per cent during April-October 2000, compared to 10.0 per cent during April-October, 1999;

(iii) Indian Millennium Deposit Scheme of the State Bank of India has successfully mobilized US$ 5.5 billion. As a result, ou foreign exchange reserves (including gold and SDR) have increased to US$ 39 billion at the end of November 2000 from US$ 38 billion at the end of March 2000.

Thus, the overall Balance of Payment situation continues to remain manageable despite extraordinary pressures of high international oil prices.